

Testimony
House Bill 1023 – Department of Human Services
House Appropriations
Representative Delzer, Chairman
January 29, 2013

Chairman Delzer, members of the House Appropriations Committee, I am Deb McDermott, Chief Financial Officer of the Department of Human Services. I am here today to provide information regarding the deficiency appropriation request for the Department of Human Services (Department). Subdivision 6 of Section 1 of House Bill No. 1023 contains the Department's deficiency appropriation request of \$20.9 million.

This request is the result of a decrease in the federal medical assistance percentage (FMAP). The Department built its 2011-13 budget using an estimated FMAP of 55.40% for FFY 2013, which accounts for the last 10 months of the 2011-13 biennium. The final FFY 2013 FMAP is 52.27%, which is a 3.13% decrease in the FMAP used in developing the budget. Throughout the 2011-12 interim, the Department estimated the impact on the 2011-13 biennium budget due to the decrease in FMAP was \$21.2 million. Due to savings in other areas of the Department's budget, the deficiency request before you in House Bill No. 1023 is \$20.9 million.

This concludes my testimony and I would be happy to answer your questions.